



Agreement in Principal

August 12, 2008

This document is an agreement in principle between **Abersham Commercial Services Ltd and Superior Composite Structures LLC (SCS)** in which the parties commit to work together to build an Ambiente Housing Plant, in South Dakota. The parties agree to enter into more formal agreements and documents based on the basic terms of this agreement, which are outline below:

The parties agree to the following:

1. Purchase Price:

The purchase price of the Ambiente Housing Plant (production capacity 500 houses per year) including license, sales and production territory, factory equipment, installation, personnel training

- **Total Price: \$9.0 Million**
- \$8.0 Million be paid in cash (per progress payments as defined in the Plant Design Build contract)
- \$500,000 will be paid at the end of Year 1
- \$500,000 will be paid at the end of Year 2

2. Technology License Fee

Abersham will be paid a Technology License fee in the amount 8% of the house sales price according to terms and conditions defined in the Technology License Agreement to be executed between the parties.

3. The Ambiente Housing Plant will be built in three phases

- Phase One will be for 500,000 SF of production (500 Houses @1,000 SF) Including Panel line, Sheet making line and Bead production at a cost of \$9 Million
- Phase Two- will add Pultrusion production line at a cost of \$1.2 Million
- Phase Three- increase house production capacity to 4,000,000 SF (4,000 houses @1,000 SF) Phase three project cost to be determined and mutually agreed

4. Exclusive Territory

SCS will be granted an exclusive territory within the United Sates under terms and conditions defined in the Technology License Agreement. The geographic territory will be determined at a later date and will be mutually agreed by the parties

5. Project Schedule

Parties will mutually agree to a Project Schedule which will outline the critical dates:

- 1) Building and Site Improvements, 2) Ordering equipment, 3) Equipment delivery,
- 4) Plant Fit-Out, 5) Personnel recruitment & training, 6) Plant Production and Operations

6. Abersham House Sales

Parties mutually agree that Abersham will be entitled to purchase 100 houses, and Abersham hereby confirms the intention to purchase 100 houses in the first year of production, delivery terms to be agreed from SCS plant. Abersham Commitment Letter dated June 9, 2008 shall be replaced by a firm purchase order at the appropriate time.

7. \$250,000 Initial Payment

The initial payment in the amount of \$250,000 shall be credited against the total project purchase of \$9.0 Million. The submittal and receipt of this payment is hereby confirmed and acknowledged by witness of the signatures below.


AGREED:

Abersham Commercial Services Ltd.



Malcolm Parrish, CEO

Superior Composite Structures, LLC



Rick Ostergaard, Principal



Lee Celske, Principal